

**BEFORE THE STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE**

IN THE MATTER OF:

**PROFESSIONAL INSURANCE COMPANY
4850 STREET ROAD
TREVOSSE, PENNSYLVANIA 19049**

)
) **FILE NO.: 100187**
) **CONSENT ORDER**
) **IMPOSING**
) **ADMINISTRATIVE**
FINE

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance ("Department") and Professional Insurance Company ("Company"), an insurer licensed to transact the business of insurance in the State of South Carolina. The Department and the Company may be jointly referred to as the "Parties" throughout this Consent Order.

The Company was advised by notice dated January 5, 1999 that the "Annual Report of Market Value of Securities as of June 30, 1999" ("Report"), was required to be filed with the Department by August 1, 1999. The Company was also advised that an administrative penalty would be imposed should this report not be timely filed. The Company agrees that the Report was not received by the Department on or before the August 1, 1999 deadline.

Therefore, the late filing of the Report constitutes an offense under S.C. Code Ann. Section 38-13-160 which, in sum, states that every corporation or person must promptly and truthfully reply in writing to an inquiry made by the Director or by the Director's designee. In accordance with Section 38-5-120, failure to comply with the law could ultimately lead to the revocation or suspension of the insurer's certificate of authority to transact the business of insurance in South Carolina. Alternatively, Section 38-5-130 provides that in lieu of license revocation or suspension, the Director may impose a monetary penalty as provided in Section 38-2-10.

Prior to the initiation of any administrative proceedings by the Department against the Company, the Parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department taking action to revoke the Company's Certificate of Authority, the Company would waive its right to a public hearing and consent to pay an administrative fine in the total amount of \$500.00.

After a thorough review of the record, carefully considering the recommendation of the Parties, I hereby invoke the discretionary authority given to me and impose against the Company an administrative fine in the total amount of \$500.00. That fine must be paid within ten days of the date of my signature upon this Consent Order. If that total fine amount is not timely paid, the Company's Certificate of Authority will be revoked without any further disciplinary proceedings.

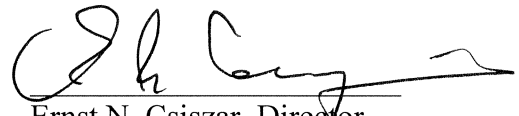
By its signature upon this Consent Order, the Company acknowledges that it understands the terms and conditions of this Consent Order and, it further understands, that this Consent Order is a public record subject to the disclosure requirements of the State of South Carolina's Freedom of Information Act, S.C. Code Ann. Sections 30-4-10, et seq. (Supp. 1991 and 1998). Nothing contained within this Consent Order should be construed to limit or to deprive any person of any private right of action under the law. Further, nothing contained within this Consent Order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Finally, nothing contained within this Consent Order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. Section 38-3-110 (Supp. 1998), of the Director of Insurance, exercised either directly or through the Department, to report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance which he considers necessary to report.

It is therefore ordered that Professional Insurance Company shall, within ten days of the date of my signature on this Consent Order, pay through the South

Carolina Department of Insurance an administrative fine in the total amount of \$500.00.

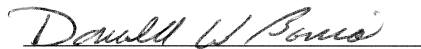
It is further ordered that a copy of this Consent Order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This Consent Order becomes effective upon the date of my signature.


Ernst N. Csiszar, Director

Dated this 17 of February, 2000
at Columbia, South Carolina

I CONSENT:



Donald W. Bania
Associate General Counsel &
Assistant Secretary

Authorized Representative of
Professional Insurance Company
4850 Street Road
Trevose, Pennsylvania 19049

Dated this 24 of February, 2000
at Trevose, Pennsylvania

sctresry1.pic